

Message Text

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ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 AF-06 ARA-06 EA-06 NEA-09

ACDA-05 CIAE-00 DODE-00 PM-03 INR-07 L-02 NSAE-00

NASA-01 NSC-05 OES-03 OTPE-00 H-02 PA-01 PRS-01 SP-02

SS-15 USIA-06 NRC-05 SAM-01 OIC-02 COME-00 DOTE-00

EB-07 FMC-01 CG-00 OFA-01 DLOS-03 /123 W

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R 121705Z MAY 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 1054

INFO AMEMBASSY MADRID

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MADRID PASS TO C. GRIP, /WTO CONFERENCE

E.O. 11652: N/A

TAGS: OCON, ETEL, IMCO

SUBJ: IMCO: MARITIME SATELLITE CONFERENCE: FINAL SITREP

1. SUMMARY: IN SURPRISE LAST MINUTE DEVELOPMENT AT CLOSE OF CONFERENCE, US AND 13 WESTERN EUROPEANS REACHED AGREEMENT IN PRINCIPLE ON COMPROMISE PACKAGE DEALING WITH FUNDAMENTAL OUTSTANDING ISSUES CONCERNING ESTABLISHMENT OF NEW INTERNATIONAL MARITIME SATELLITE ORGANIZATION (INMARSAT). THIS MOVE CRACKS 3 YEAR-USSR ALLIANCE ON THIS ISSUE AND ISOLATES SOVIETS. CONFERENCE AGREED TO RECONVENE IN LONDON FEB. 9-27 AND TO ESTABLISH INTER-SESSIONAL WORKING GROUP TO DRAFT NEW INTERNATIONAL INSTRUMENTS. END SUMMARY.

2. CONFERENCE ENDED MAY 9 ON DRAMATIC NOTE WHEN US AND REPS OF 13 WESTERN EUROPEAN COUNTRIES ANNOUNCED TO PLENARY BROAD GENERAL AGREEMENT IN PRINCIPLE ON PACKAGE

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TO RESOLVE THE FOUR MAJOR OUTSTANDING ISSUES CONCERNING

THE ESTABLISHMENT OF INMARSAT: GOVERNMENT-DESIGNATED ENTITY RELATIONSHIP; POWERS OF ASSEMBLY-COUNCIL; ONE OR TWO AGREEMENTS; AND PROCUREMENT POLICY. SITUATION EXISTING FOR PAST 3 YEARS, WHEREBY US ISOLATED IN FACE OF WE-SOVIET ALLIANCE ON THIS QUESTION SUDDENLY REVERSED: US AND WES NOW IN SAME BOAT; SOVIETS WILL HAVE TO REACH ACCOMMODATION WITH THIS GROUP AS BEST IT CAN.

3. AS REPORTED LONDON 7083, ALL NIGHT NEGOTIATING SESSION MAY 7-8, INVOLVING US, USSR, JAPAN AND WES, BROKE DOWN AT 4:30 A.M. WHEN SOVIETS RENEGED ON PREVIOUS AGREEMENT WITH US TO SUPPORT US POSITION ON GOVERNMENT/ENTITY ISSUE -- IE., THAT GOVERNMENT NOT ULTIMATELY LIABLE FOR ACTIVITIES OF ENTITY. GENERAL AGREEMENT IN PRINCIPLE HAD ALREADY BEEN REACHED IN COURSE OF NEGOTIATING SESSION ON PACKAGE PROPOSAL RE OTHER ISSUES: ASSEMBLY-COUNCIL RELATIONSHIP (COUNCIL SUPREMACY ON TECHNICAL, FINANCIAL AND MANAGERIAL ISSUES); ONE OR TWO AGREEMENTS (TWO); AND PROCUREMENT (GENERALLY ALONG LINES OF INTELSAT LANGUAGE WITH MENTION OF NEED TO ENCOURAGE WORLD-WIDE COMPETITION IN PREAMBULAR PARAGRAPH).

4. WESTERN EUROPEANS WERE FURIOUS WITH SOVIETS WHOSE ACTION RAISED SPECTRE THAT CONFERENCE, WHICH WOULD CONCLUDE ON FOLLOWING DAY AFTER 3 YEARS OF PREPARATION, WOULD END IN FAILURE. WES WERE FACED WITH DILEMMA OF MAINTAINING PREVIOUS POSTURE AND RISKING EXCLUSION OF US FROM PARTICIPATION IN INMARSAT, OR BREAKING WITH INTRANSIGENT SOVIETS AND REACHING ACCOMMODATION WITH US, LEAVING SOVIETS TO FEND FOR THEMSELVES. THEY ULTIMATELY CHOSE LATTER COURSE.

5. ON MORNING OF FINAL DAY OF CONFERENCE, US REP CONSULTED WITH UK COUNTERPART, WHO HAD BEEN ACTING AS SPOKESMAN FOR WES GROUP DURING CONFERENCE, PROPOSING TO ANNOUNCE US-WE AGREEMENT IN PRINCIPLE ON THESE FOUR MAJOR OUTSTANDING ISSUES TO PLENARY AT FINAL SESSION AFTERNOON MAY 9. UK REP AGREED AND BY NOON SECURED AGREEMENT OF THE 13 COUNTRY WE GROUP.

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6. ACCORDINGLY, IN CLOSING PLENARY SESSION UK REP TOOK FLOOR ON BEHALF OF WE GROUP TO ANNOUNCE THAT IN TERMS OF OVERALL AGREEMENT TO ESTABLISH INMARSAT WE'VE AGREED TO FOLLOWING:

(1) ARRANGEMENTS SHOULD BE SUCH AS TO PERMIT GOVERNMENTS TO DESIGNATE ENTITY TO UNDERTAKE FULL OPERATIONAL, FINANCIAL AND MANAGERIAL RESPONSIBILITIES;

- (2) ASSEMBLY SHOULD BE STRUCTURED SO AS NOT TO INTERFERE WITH OPERATIONAL, FINANCIAL AND MANAGERIAL RESPONSIBILITIES OF COUNCIL;
- (3) WHILE WE'S PREFERRED ONE AGREEMENT THEY COULD SUPPORT TWO AGREEMENTS PROVIDING THEY WOULD BE BASED ON POE DRAFT AND DRAFTING WOULD NOT DELAY FURTHER WORK OF CONFERENCE.
- (4) PROCUREMENT PROCEDURES SHOULD BE ALONG LINES OF UK DRAFT PROPOSAL (WHICH BASED ON INTELSAT LANGUAGE AND INCLUDED PRINCIPLE OF MAINTAINING WORLDWIDE COMPETITION

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IN PREAMBULAR PARAGRAPH);

- 7. US REP THEN TOOK FLOOR TO STATE THAT WE PROPOSALS RE ASSEMBLY/COUNCIL AND PROCUREMENT ACCEPTABLE IN SUBSTANCE,

THAT WE STATEMENT ON GOVERNMENT/ENTITY RELATIONSHIP AND TWO AGREEMENTS WERE EXTREMELY HELPFUL AND THAT SUCH PACKAGE WOULD GO LONG WAY TO SPEED UP NEGOTIATIONS FOR NEW ORGANIZATION.

8. JAPAN, WHICH HAD BEEN ONLY MAJOR POWER TO SUPPORT US POSITION UP TO THIS POINT, STATED IT FOUND WE POSITIONS "LARGELY ACCEPTABLE".

9. SOVIETS SAT STUNNED THROUGH FOREGOING DEBATE. ONLY INTERVENTION WAS TO REQUEST LIST OF EUROPEAN COUNTRIES LIMITED OFFICIAL USE

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ON WHOSE BEHALF UK REP SPOKE. LIST PROVIDED AS FOLLOWS: BELGIUM, DENMARK, FINLAND, FRANCE, FRG, GREECE, ITALY, NETHERLANDS, NORWAY, SPAIN, SWEDEN, SWITZERLAND AND UK.

10. OTHER ACTIONS TAKEN BY CONFERENCE ON FINAL DAY INCLUDED FOLLOWING:

(A) RECORDED AGREEMENT THAT INORDER TO IMPROVE MARITIME COMMUNICATIONS, THERE WAS NEED FOR WORLDWIDE MARITIME SATELLITE SYSTEM AND THAT THERE WAS NEED FOR AN INTER-NATIONAL INTERGOVERNMENTAL ORGANIZATION TO ADMINISTER AND MANAGE SYSTEM;

(B) DEFINED POSITION OF DESIGNATED ENTITY (ALONG LINES OF US PROPOSAL); AND

(C) ADOPTED RECOMMENDATION THAT COUNTRIES PERMIT USE OF NEW SYSTEM IN PORTS AND TERRITORIAL WATERS.

11. WITH REGARD TO FUTURE WORK, CONFERENCE DECIDED:

(A) TO RECONVENE IN LONDON, FEBRUARY 9-27, 1976;

(B) TO ESTABLISH AN INTER-SESSIONAL WORKING GROUP (ISWG) COMPOSED OF ALL INTERESTED MEMBERS WHO ACTUALLY ATTENDED CONFERENCE. FIRST SESSION WILL BE HELD IN LONDON AUGUST 4-8, 1975 TO CONSIDER FOUR BASIC PRINCIPLES: (A) GOVERNMENT/ENTITY PRINCIPLE; (B) DISTRIBUTION OF POWERS BETWEEN ASSEMBLY AND COUNCIL; (C) TYPE AND NUMBER OF APPROPRIATE INTERNATIONAL INSTRUMENTS; AND (D) PROCUREMENT POLICY. GROUP IS TO DRAFT TEXT OF RELEVANT ARTICLES IN LIGHT OF ITS CONCLUSIONS. ISWG WILL THEN MEET ONCE OR TWICE MORE PRIOR TO NOVEMBER 30 TO CONSIDER DRAFT TEXTS PRODUCED IN PRIOR SESSION AND TO DRAFT ADDITIONAL TEXTS SO THAT COMPLETE REVISED AGREEMENT(S) CAN BE CONSIDERED AT RESUMED SESSION OF CONFERENCE. P.G. DAMLE OF INDIA, WHO SERVED CAPABLY AS CHAIRMAN OF WORKING PARTY ON INTER-SESSIONAL WORKING ARRANGEMENTS WAS CHOSEN, WITH US SUPPORT, AS CHAIRMAN OF THE ISWG.

12. FOLLOWING CONCLUSION OF CONFERENCE, WES ADVISED US REP THAT SMALL NEGOTIATING TEAM, HEADED BY FRG AMBASSADOR JOSEPH JAENICKE, WILL VISIT WASHINGTON IN EARLY JUNE TO PRESENT EUROPEAN DRAFT OF 2 AGREEMENT APPROACH AND TO LIMITED OFFICIAL USE

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COORDINATE US-WE POSITIONS FOR AUGUST ISWG MEETING. IN ADDITION, AT SOCIAL FUNCTION, USSR REP ADVISED US REP THAT BREAKDOWN OF ALL NIGHT NEGOTIATING SESSION MAY 7-8 WAS DUE TO SOVIET TRANSLATION PROBLEMS (WHICH PATENTLY UNTRUE) AND EXPRESSED DESIRE FOR BILATERAL CONSULTATIONS IN WASHINGTON PRIOR TO AUGUST ISWG SESSION. US REP RESPONDED THAT US ALWAYS PREPARED TO LISTEN TO SOVIET VIEWS.

13. AS FINAL NOTE, USDEL OBSERVES THAT CONTENTIOUS POLITICAL ISSUES AT THIS CONFERENCE WERE REMARKABLY (AND MOST PLEASANTLY) ABSENT. LDC ATTENDANCE WAS SPARSE, GOVERNMENTS WHOSE ATTENDANCE MIGHT HAVE LED TO POLITICAL DEBATE (E.G., SOUTH AFRICA, ISRAEL) WERE NOT PRESENT, AND THE VIETNAMESE CREDENTIALS ISSUE WAS OVERTAKEN BY EVENTS OUTSIDE THE CONFERENCE ARENA.

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